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C O N F I D E N T I A L SECTION 01 OF 02 SHANGHAI 000519

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E.O. 12958: DECL: 12/2/2033

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SUBJECT: SHANGHAI ACADEMICS ON CHINA-PAKISTAN RELATIONS

REF: A) SHANGHAI 515; B) SHANGHAI 476; C) SHANGHAI 467

CLASSIFIED BY: Christopher Beede, Pol/Econ Section Chief, U.S. Consulate, Shanghai, U.S. Department of State. REASON: 1.4 (b), (d)

11. (C) Summary: Shanghai scholars believe Sino-Pakistan relations are strong and stable, one scholar calling it an "all weather partnership," with growing bilateral trade and good political relations. China's growing ties with India (Ref A), however, make Pakistan uncomfortable and force China to balance its desire for better relations with India with its historical ties to Pakistan. The scholars downplayed China's ability to help Pakistan in its current economic difficulties, saying Pakistan should learn to "become more self-reliant." The scholars discussed anti-terror and anti-drug cooperation along the Xinjiang-Pakistan border, saying the "porous border" has allowed Xinjiang separatists to seek training in Pakistan and opium from Afghanistan to flow through Pakistan to China. Shanghai is home to approximately 200 Pakistanis, according to the Pakistan Consulate, and the largest Pakistani community in East China is in Yiwu, a large trading center in Zhejiang Province (Refs B and C). This report is one in a series of reports on Muslim ties to East China. (Note: All discussions were conducted prior to the Mumbai terror attacks. End note.) End summary.

## "All Weather Partnership"

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¶2. (C) Shanghai scholars believe Sino-Pakistan relations are strong and stable. Wang Dehua, Professor at Shanghai Academy of Social Sciences (SASS), characterized the relationship as an "all weather partnership," based on decades of historical friendship. He noted that bilateral trade, which has increased significantly since 2006 when the two countries signed a Free Trade Agreement, is set to reach USD 15 billion by 2011. Growing economic ties reflect positive political and cultural ties, said the scholars, and China is making an effort to balance the trade relationship, which is currently skewed in favor of Chinese exports. China has no border disputes or geopolitical rivalry with Pakistan, and the two militaries have a close relationship, said the scholars.

Triangular Relationship

(C) According to the scholars, however, China's desire to improve political and economic ties with India, Pakistan's rival, is complicating the Sino-Pakistan relationship (Ref A). Zhang Jiegen, Professor at Fudan University, said Pakistani scholars he met during his recent trip to Pakistan expressed concerns about a burgeoning "friendship" between China and India. His Pakistani interlocutors instead urged China to "contain India" through closer partnership with Pakistan, according to Zhang. Zhang Jiadong, Professor at Fudan University, thinks China is in a dilemma: it wants to improve relations with India while maintaining good relations with Pakistan, but Pakistan has been "asking for more" (i.e., asking China to choose sides). In describing China's "cultural mindset," Zhang Jiadong explained that China does not want to change its relations with any country too abruptly, so China will continue to maintain good relations with Pakistan while gradually developing stronger ties with India in a balanced approach.

### Not "All Weather" After All

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14. (C) Despite talk of an "all weather partnership," the scholars were quick to criticize Pakistan for what they perceive as its over-reliance on China, particularly on the economic front. Regarding Pakistan's current economic difficulties and its request for foreign aid, Shao Yuqun, Professor at Shanghai Institutes for International Studies (SIIS), said China in the past would "blindly" give aid to its "friends," including Pakistan, but now, aid must be considered on a "case by case basis depending on the overall situation and the amount of aid." She added that China's situation had changed recently with the global economic downturn, and Beijing must now give greater consideration to its domestic constituents.

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- ¶5. (C) Zhang Jiegen and Wang Weihua, Research Scholar at SIIS, both said China may be able to help Pakistan economically to some extent, but that it is not solely China's responsibility nor within its power to help Pakistan emerge from its current difficulties. Wang Dehua similarly stated that the West "overestimates" China's ability to help others, including Pakistan, and that China must first focus on its own domestic situation. He added that China could give Pakistan more aid, but that this would not help Pakistan in the long-run. "Pakistan should learn to become more self-reliant," Wang said.
- 16. (C) At the same time, China realizes it can ill afford to see Pakistan become a failed state, said the scholars. Wang Dehua thinks China, the United States, and other major powers should act together to help stabilize the Pakistan Government. "Having the Taliban or other extremists take over in Pakistan is not an option," he stated, saying Pakistan is crucial for the stability of Central Asia and the Middle East. However, some of the scholars wanted to pass the buck, arguing that the United States has more influence than China in the region and should take the lead in helping Pakistan.

#### Anti-Terror, Anti-Drug Cooperation

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- 17. (C) Although the scholars noted improvements in Sino-Pakistani anti-terror and anti-drug coordination along their shared border, they were generally critical of the effectiveness of Pakistan's forces. Shao Yuqun and Zhang Jiadong believe Uighur separatists from Xinjiang Province are crossing the "porous" Xinjiang-Pakistan border to get trained in Pakistan and return to Xinjiang to carry out their separatist activities. The Pakistani security forces are "not very capable" at preventing the flow of these individuals, said Shao. Zhang Jiadong sees the main problem within Pakistan itself. A self-described expert on terrorism, Zhang thinks the Xinjiang separatists get trained in Pakistan because of its proximity and because the Pakistan Government cannot control the terrorist training centers within its own borders.
- 18. (C) On drug trafficking, Shao Yuqun and Wang Weihua pointed

to a route operating since 2005, according to them, in which opium from Afghanistan would pass through Pakistan, to Xinjiang, and then travel within China to major cities, especially Hong Kong, from where it could be shipped overseas. Shao thinks anti-drug coordination within the Shanghai Cooperation Organization (SCO) and between China and Pakistan has not been particularly effective. Zhang Jiegen, however, thinks smugglers who want to get drugs into China for use by Chinese customers (mainly in Xinjiang which, Zhang said, has a "serious drug problem") may be looking at alternate routes, possibly because Chinese and Pakistani forces are cracking down on the overland Pakistan-Xinjiang route. Zhang had heard of opium being shipped in rugs from Afghanistan through India to the Chinese port city of Qingdao, from where it would be smuggled to Xinjiang and other cities in China.

# Small Pakistani Communities in East China

19. (C) East China, including Shanghai, does not have large Pakistani communities. Mahmood Akhtar Mahmood, Vice Consul at the Pakistan Consulate in Shanghai, estimates there are only 200 Pakistanis living in Shanghai, including students, businesspeople, and their accompanying family members. The largest Pakistani community in East China is in Yiwu, a large commodities trading center in Zhejiang Province (Refs B and C). According to Wang Jianping, Professor at Shanghai Normal University, Yiwu hosts approximately 5000 Pakistanis, including short-term residents, who are mostly engaged in exporting commodities to Pakistan.

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110. (C) The discussions reported here were held prior to the Mumbai terror attacks of late November. The attacks received heavy media coverage in both local print and broadcast media in Shanghai. CAMP